

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
DECEMBER 2, 2009**

DIRECTORS PRESENT

Glenn Acosta, Committee Member
Mike Safranski, Committee Member Alternate

STAFF PRESENT

Don Chadd, General Manager
Hector Ruiz, District Engineer
Sharon E. Smith, Secretary/Treasurer
Michael Perea, Special Projects Manager
Teresa Teichman, Assistant to the General Manager

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Member Alternate Safranski called the December 2, 2009 Finance/Audit Committee Meeting to order at 7:05 a.m.

VISITOR PARTICIPATION

Public comments were announced. No comments were received.

ORAL COMMUNICATION

Oral communication was announced. No comments were received.

COMMITTEE MEMBER COMMENTS

Committee Member Alternate Safranski referred to an article in the December 2, 2009 *Orange County Register* relating to the California water crisis.

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REPORT FROM THE GENERAL MANAGER

No report was provided.

ACTION ITEMS

ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP

The November 17, 2009 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made to the Recap.

Recommendation: The Committee recommended that the November 17, 2009 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar)

ITEM NO. 2) RATIFICATION OF DIRECTORS' FEES AND EXPENSES

The Committee reviewed this matter.

Recommendation: The Committee recommended that the Board ratify the Directors' expenses for October 2009 and fees for November 2009. (Consent Calendar)

ITEM NO. 3) OTHER MATTERS

Don Chadd, General Manager, stated that the slight odor emanating from Dove Lake is improving.

Mr. Chadd also noted that the General Manager of Santa Margarita Water District suggested that a regional Water Awareness Day be held in May of 2010 for south Orange County agencies.

ITEM NO. 4) STATUS UPDATE RELATING TO CALIFORNIA DROUGHT AND WATER CONSERVATION EFFORTS

Mr. Chadd noted that this item would be limited to water allocation in the future.

Recommendation: The Committee received and filed the status update. No action required.

ITEM NO. 5) TREASURER'S REPORT

ITEM NO. 5A) PRESENTATION OF OCTOBER 2009 UNAUDITED FINANCIAL STATEMENT

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Ms. Sharon Smith, Secretary/Treasurer, reviewed the October 31, 2009 preliminary unaudited financial statement. She reviewed the Assets and Liabilities. Interest was applied to the appropriate restricted assets. Regarding current liabilities, funds owing to Santa Margarita Water District have been accrued.

The Statement of Revenues and Expenses was discussed. The operating revenue is 36% collected year-to-date, and expenses are 32% of budget. Residential water sales are lower than prior year due mainly to a decrease in agricultural sales. Overall revenues are slightly higher in October of 2009 compared to October 2008.

Regarding operating expenses, the District Services line item increased over prior year due to overtime hours paid for both a water and sewer line break. Additionally, water expenses were much higher based on the quantity of water purchased.

Non Operating Revenue was discussed. The restricted and unrestricted property taxes are slightly lower this fiscal year than prior year--\$26,550 compared to \$31,320. All interest income decreased dramatically, \$33,300 in FY 2009/10 compared to \$86,040 in FY 2008/09.

The year-to-date Net Non Operating Income (Loss) is (\$286,014) for Fiscal Year 2009/10 compared to (\$314,574) for Fiscal Year 2008/09.

Recommendation: The Committee recommended that the Board receive and file the October 2009 preliminary unaudited financial statement, as presented. (Consent Calendar)

5B) BILLS FOR CONSIDERATION

The bills for consideration were presented.

Recommendation: The Committee recommended that the Board ratify payment of the December 2, 2009 bills for consideration in the amount of \$145,293.07 and November 2009 payroll in the amount of \$156,401.89, as presented. (Consent Calendar)

ADJOURNMENT

Committee Member Alternate Safranski adjourned the December 2, 2009 Finance/Audit Committee Meeting at 7:24 a.m.